

XC. WLS 157194
F. Sauget & Jewery

P.H. Weis & Associates, Inc.

Engineers
Architects
Planners

2700 Falling Springs Road
Sauget, Illinois 62206
(618) 874-0320

Paul H. Weis, P.E.
Marvin H. Swindle, A.I.A.
August 7, 1987

Honorable Mayor Paul Sauget
Village of Sauget
2897 Falling Springs Road
Sauget, Illinois 62206

Re: Sauget Sewer Rehabilitation
Phases I, II, IIIA, Cleaning and Grouting
Project No. 7313-86-1

Dear Mayor Sauget:

Please find enclosed three copies of the Settlement Agreement that has been negotiated with David Duree, the attorney representing Washington International Insurance Company, the surety for the Arnold Rooter, Inc. contract.

I have reviewed the conditions set forth therein and have found them to be in accordance with my negotiations with Mr. Duree. The Agreement will allow us to complete the project utilizing Video Industrial Services, Inc. in accordance with the original contract documents at no additional cost to the Village of Sauget with the exception of additional engineering and legal fees that have evolved from Arnold Rooter's default. It is recommended that the Village approve and execute the Settlement Agreement.

I am in the process of establishing a contract with Video Pipe Services, Inc. commensurate with the Settlement Agreement and the original contract documents.

Please execute all three copies of the Settlement Agreement, retain one for the Village's file, and forward two copies to David Duree. As soon as we receive the contract from Video Pipe Services, Inc., as well as their Certificate of Insurance, Performance and Payment Bonds, we will be in a position to proceed with the completion of the work.

Yours truly,


Paul H. Weis, P.E.

P. H. WEIS & ASSOCIATES, INC.
ENGINEERS/ARCHITECTS/PLANNERS

WGK 1484045

PHW:de
Enclosure

Offices in: Illinois — Missouri

RECEIVED AUG 06 1987

LAW OFFICES OF
LERITZ, REINERT & DUREE
PROFESSIONAL CORPORATION

JOSEPH L. LERITZ
BERNARD A. REINERT *
DAVID M. DUREE *
EMMETT M. O'BRIEN
THOMAS J. PLUNKERT *
DAVID D. CRANE *
MARK A. HELPERS *
ANTHONY S. BRUNING *
G. TRACY MEHAN, III
JAMES A. SINGLEY *
THOMAS J. BURNSIDE *
ROBERT R. McCULLOCH
TERESA MAYHEW HESS *
PAUL W. JOHNSON *

812 NORTH COLLINS
LACLEDE'S LANDING
ST. LOUIS, MISSOURI 63102-2174
(314) 621-8743

OF COUNSEL
J. D. LERITZ

OF COUNSEL
JOHN L. SULLIVAN, P.C.

August 6, 1987

* ALSO LICENSED IN ILLINOIS

HAND DELIVERED

Mr. Paul Weis
P.H. Weis & Associates, Inc.
12231 Manchester Road
St. Louis, MO 63131

Re: Cleaning and Grouting Contract
Village of Sauget and Arnold Rooter, Inc.
Project #7313-86-1

Dear Mr. Weis:

Enclosed herewith you will find the original and two copies of a proposed settlement agreement.

I dictated the proposed agreement but did not have an opportunity to review it before my departure on a one week trip.

I have submitted the same agreement to my client.

I believe both parties are in agreement on the terms.

If any correction of language is requested by either party, I'm sure that can be accomplished without changing the basic agreement.

If the enclosed agreement is acceptable please return to me two copies fully executed by the mayor, with resolutions attached, fully notarized.

I will forward to you two copies executed by my client, fully notarized, along with the settlement draft for \$29,444.33 (calculated on the basis of the difference between \$160,171.00 minus \$130,726.65).

WGW 1484046

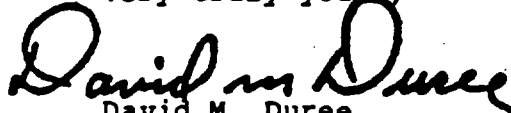
Mr. Paul Weis
August 6, 1987
Page Two

It will be the responsibility of Sauget to contract with Industrial Video for completion of the work, irrespective of the amount agreed upon or the actual final terms of that agreement.

I have separately notified Video Industrial that it appears we have settled and we do expect him to report to us the number of joints in each of the remaining pipes.

A copy of that letter is enclosed for your reference.

Very truly yours,


David M. Duree

DMD/dsg

Enclosures

WGK 1484047

LAW OFFICES OF
LERITZ, REINERT & DUREE
PROFESSIONAL CORPORATION

JOSEPH L. LERITZ
BERNARD A. REINERT •
DAVID M. DUREE •
EMMETT M. O'BRIEN
THOMAS J. PLUNKERT •
DAVID D. CRANE •
MARK A. HELPERS •
ANTHONY S. BRUNING •
G. TRACY MEHAN, III
JAMES A. SINGLEY •
THOMAS J. BURNSIDE •
ROBERT R. McCULLOCH
TERESA MAYHEW NESS •
PAUL W. JOHNSON •

812 NORTH COLLINS
LACLEDE'S LANDING
ST. LOUIS, MISSOURI 63102-2174
(314) 621-5743

OF COUNSEL
J. D. LERITZ

OF COUNSEL
JOHN L. SULLIVAN, P.C.

• ALSO LICENSED IN ILLINOIS

August 5, 1987

Mr. John S. Kulbitskas
Video Industrial Services, Inc.
113 Sheridan Road
Birmingham, Alabama 35214-4671

Re: Sauget, Illinois

Dear Mr. Kulbitskas:

It appears that Washington International Insurance Company has reached a settlement with the Village of Sauget under which the Village of Sauget will be contracting with your firm for completion of the work, including the pipe between D and B, B and C, and C to treatment plant, and removal/disposal of the sewage/sludge.

Subject to reaching agreement on what work you will do on removal of the sewage/sludge, it is my understanding your lump sum price for the balance of the work is \$160,171.00.

The final amount my client pays the Village of Sauget hinges upon the number of joints in the remaining pipe work to be performed by your company.

We have assumed that the remaining pipelines are comprised of 3' sections, and therefore the joints are on 3' centers.

Please keep me posted, as work progresses, on the number of joints determined to exist in this remaining work, once your work commences.

WGK 1484048

Mr. John S. Kulbitskas
August 5, 1987
Page Two

We may also have Richard Pendleton of George Butler & Associates confirm your figures, if in fact you are encountering anything other than 3' joints.

Very truly yours,

David M. Duree
David M. Duree

DMD/dsg

cc: Mr. Paul Weis
P.H. Weis & Associates, Inc.
12231 Manchester Road
St. Louis, MO 63131

Mr. Richard Pendleton
George Butler & Associates
225 South Main Street
Suite 200
O'Fallon, MO 63366

WGK 1484049

SETTLEMENT AGREEMENT

COMES NOW Washington International Insurance Company (hereinafter "surety") and Village of Sauget (hereinafter "Sauget") and enter into the following settlement agreement with respect to the Village of Sauget cleaning and grouting contract with Arnold Rooter, Inc., as follows:

WHEREAS, Village of Sauget entered into a contract with Arnold Rooter, Inc. for the cleaning and grouting of certain sewers, project number 7313-86-1, on which P.H. Weis & Associates, Inc., were engineers, and

WHEREAS, Arnold Rooter, Inc. ceased working on said project when work was partially completed, and has refused to return to complete said project, and

WHEREAS, surety, as surety for Arnold Rooter, Inc., issued a performance bond with respect to said cleaning and grouting contract,

WHEREAS, Sauget has asserted a claim against surety as a result of the failure to complete said project by Arnold Rooter, Inc., and

WHEREAS, surety and Sauget desire to compromise and settle the claim of Sauget against surety arising out of said project,

NOW, THEREFORE, in consideration of the mutual promises herein, and other consideration described in this agreement, Sauget and surety agree as follows:

WGK 1484050

(1) Sauget has previously accepted the work on said project, other than approximately 185' of pipe from D to B, 20' of pipe from B to C and 1,630' of pipe from C to the treatment plant, and disposal of the sewage/sludge.

(2) Sauget will contract with Video Industrial Services, Inc. for the completion of the balance of the contract work, including, but not limited to the work described in the preceding paragraph; the approximate amount of that new contract between Sauget and Video Industrial is estimated to be approximately \$160,171.00, however, the exact amount of such contract and the exact terms of such contract are to be determined separately in negotiations and agreement between Sauget and Video Industrial.

(3) Surety will have no responsibility with respect to the work to be performed under the new contract between Sauget and Video Industrial.

(4) Surety agrees to pay and Sauget acknowledges receipt of the sum of \$29,444.35 in settlement of all claims of Sauget against surety, with the exception of the potential claim described in paragraph 5 set forth below, and Sauget hereby releases and discharges surety from any and all claims arising out of the cleaning and grouting contract issued to Arnold Rooter, Inc. and the performance bond executed by surety for said contract, as more fully described above, with the exception of the potential claim described in paragraph number 5 below.

WGK 1484051

(5) All claims of Sauget against surety are hereby settled pursuant to this agreement, except surety agrees to pay Sauget \$116 per joint, not to exceed the additional sum of \$40,600, for each joint in the remaining 1,835' of pipe between D to B, B to C and C to treatment plant, based upon final measurement, which is less than the number of joints that would exist in those pipes if each section of pipe is 3' in length; for example, at 3' lengths of pipe, it is estimated there will be 61 joints in the pipe from D to B and 6 joints in the pipe from B to C and 543 joints in the pipe from C to the treatment plant, for a total of 610 joints in the remaining work, based upon the assumption that each length of pipe is 3' in length; in the event the remaining pipe to be cleaned and grouted contains 610 joints or more, surety will owe no money to Sauget under this agreement; in the event the number of joints in said remaining work total less than 610 joints (because the lengths of pipe are greater than 3' in length), then for each joint less than 610 joints, surety will pay Sauget the sum of \$116 per joint for each such joint less than 610; for example, if final measurement shows 600 joints, for this work, surety will pay Sauget 10 times \$116, totaling \$1,160 under the terms of this settlement agreement.

(6) Final measurement of the number of joints in the remaining work to be performed by Video Industrial will be determined first by Video Industrial, to be verified by surety or its consultants and/or representatives.

WGK 1484052

(7) Sauget hereby sells, assigns and transfers to surety all of Sauget's claims against Arnold Rooter, Inc. arising out of or related to the cleaning and grouting contract described above.

(8) The parties agree that this settlement agreement may be executed in counterpart.

(9) Sauget agrees to attach to the executed copy of this agreement an appropriate resolution of the Village of Sauget authorizing and approving this settlement agreement.

(10) Executed this _____ day of _____, 1987.

WASHINGTON INTERNATIONAL
INSURANCE COMPANY

By: _____

VILLAGE OF SAUGET, ILLINOIS

By: 
Mayor

STATE OF ILLINOIS)
) ss.
COUNTY OF)

_____ of Washington International
Insurance Company appeared before me, duly authorized on
behalf of Washington International Insurance Company and

WGK 1484053

executed the above and foregoing settlement agreement on behalf of Washington International Insurance Company as its duly authorized representative.

Notary Public

My Commission Expires:

STATE OF ILLINOIS)
) ss.
COUNTY OF ST. CLAIR)

_____, being known to me to be the mayor of Sauget, Illinois, appeared before me and executed the above and foregoing settlement agreement and acknowledged that he was authorized to execute this agreement on behalf of the Village of Sauget, and, in my presence, he attached to this settlement agreement a copy of the resolution of the Village of Sauget approving the settlement agreement and authorizing _____, as mayor, to execute the settlement agreement on behalf of the Village of Sauget.

Notary Public

My Commission Expires:

WGK 1484054